PRODUCTION SHARING AGREEMENT LOTTIE BARTON JOHNSON LEASE

STATE OF TEXAS

§ §

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF TARRANT §

The undersigned Interest Owners and Devon Energy Production Company, L.P. ("Devon") enter into this Production Sharing Agreement ("Agreement") on the terms set forth herein.

WHEREAS, each of the undersigned Interest Owners owns an interest in that certain Lease dated August 12, 1985, between Lottie Barton Johnson, Lessor, and Mitchell Energy Corporation, Lessee, said lease being recorded in Volume 8306, Page 1547, of the Official Records, Tarrant County, Texas; said lease, as same covers the 1725.41 acres of land presently covered in the MEP & P RR Co. Survey, A-1129, William Bramlett & HR Ryan Survey, A-227, MEP & P RR Co. Survey, A-1132, W. G. Finley Survey, A-1902, C. P. O'Brient Survey, A-1195, and J. H. Van Eaton Survey, A-1919, Tarrant County, Texas, being hereinafter referred to as the "Lease".

WHEREAS, Devon is the owner and holder of said Lease as successor in interest to Mitchell Energy Corporation.

WHEREAS, Interest Owners and Devon acknowledge that certain tracts <u>within</u> said Lease have differing ownership (hereinafter referred to as "Tract" or "Tracts"), and that it is likely that one or more horizontal well will traverse lands within and outside of a Tract or Tracts (a "Sharing Well"),

WHEREAS, in order to increase the ultimate recovery of natural gas from the Lease and to protect the correlative rights of all Interest Owners and to ensure that each will receive its fair share of the natural gas production in and under each Tract, a basis for sharing in production proceeds from a Sharing Well should be established.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT each of the undersigned, in order to accomplish the aforesaid objectives and in consideration of the premises contained herein, do hereby agree to the following:

(1) Each Interest Owner shall share in each Sharing Well on the basis of such Interest Owner's royalty ownership in the Tract or Tracts underlying the wellbore multiplied by an Allocation Factor; such Allocation Factor being defined as a fraction, the numerator of which is equal to the length of that portion of the Lateral Line Equivalent that lies under that portion of the

Lease under which such Interest Owner owns, and the denominator being the total length of the Lateral Line Equivalent. For purposes of this Agreement, the Lateral Line Equivalent is defined as a line that begins at the surface location of a well, runs laterally towards the Terminus of the well, and ends at a point directly above the Terminus of such well; and the Terminus is defined as the farthest point in the wellbore from the surface location.

- (2) As to each Sharing Well drilled, this Agreement shall be deemed to constitute complete protection of each Interest Owner's correlative rights. Each of the undersigned further agrees that this Agreement affects only production from each Sharing Well drilled hereunder and in no way affects ownership under any other wells drilled or to be drilled.
- (3) The provisions of the lease, division orders and transfer orders covering or affecting the Lease are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions herein, but not otherwise.
- (4) This Agreement shall become effective only if sufficient Interest Owner participation is received (such determination to be made solely by Devon) and if Devon files same of record in Tarrant County, Texas. Once effective, this Agreement shall remain in full force and effect for so long as the Lease remains in effect.

In addition to the foregoing, each owner of the leasing rights in and under the lands included within the Lease, together with any non-participating owner of a mineral or royalty interest under same, does hereby RATIFY, ADOPT and CONFIRM said Lease, and does hereby GRANT, LEASE and LET unto Devon, all of such owner's interest in and to the Lease.

It is understood and agreed that the Interest Owners herein do not by the execution hereof intend to communitize the interest which they now own, or may own, in portions of the land within the Lease with the interests of other parties owning interests in any portion of the land within the Lease or in any other land covered by this Lease.

This instrument may be executed in counterparts and each of which as so executed shall be given the effect of the execution of an original instrument. Failure of any party hereto to execute such counterpart shall not render this instrument ineffective as to any other party hereto who does execute a counterpart thereof, but shall be binding upon each executing party and its, his or her heirs, legal representatives, successors and assigns. Such executed counterparts may be consolidated into a single instrument by combining the signature pages and acknowledgments

thereto and the executing parties hereto acknowledge and agree that such instrument shall be treated and given effect for all purposes as a single instrument.

EXECUTED on this the 30 day of 60, 20, but effective as provided for in item 5 hereinabove.

INTEREST OWNERS

Devon Energy Production Company, L	P.
By: Most	•
Bradley A. Foster, Vice President Burlington Northern and Santa Fe Railway Company	Bar
Ву:	
Title:	
Nortex Minerals, L.P.	
By:	
Title:	
Hall-Nance Ranches, Ltd.	
Dans Chem	
By: DAVID NANCE	
Title: GENERAL PARTNER	<u> </u>
Lewis E. Nance by al	legra Vara Cyclocatrif
Allegra Nance	
Fand Chance	

David Nance

thereto and the executing parties hereto acknowledge and agree that such instrument shall be treated and given effect for all purposes as a single instrument.

EXECUTED on this the 30 day of 30, but effective as provided for in item 5 hereinabove.

INTEREST OWNERS

Devon Energy Production Company, L.P.
By:Bradley A. Foster, Vice President
Burlington Northern and Santa Fe Railway Company
By:
Title:
Nortex Minerals, L.P. By. Nortex Gly Licy its general parace By: J. Y. Robb III Title: MAJAGEN
Hall-Nance Ranches, Ltd.
By:
Title:
Lewis E. Nance
Allegra Nance

David Nance

Barbara	Nance	

NOTARY ACKNOWLEDGMENTS

STATE OF OKLAHOMA	§
COUNTY OF OKLAHOMA	§ §
	wledged before me on
STATE OF	
COUNTY OF	\$ \$
This instrument was ackno	wledged before me on, 20, by , as for the Burlington
STATE OF JEXAS COUNTY OF O JUN	Notary Public
This instrument was ackno	where we on $\sqrt{2}$, 2008 , by
L.P. ANGELA SUZANNE WALLER Notary Public, State of Texas My Commission Expires September 10, 2010	ngula Suranus Minerals, Notary Public
STATE OF	
COUNTY OF	\$ \$
This instrument was ackno	wledged before me on, 20, by _, as for the Hall-Nance
Ranches, Ltd.	
	Notary Public

Barbara Nance

NOTARY ACKNOWLEDGMENTS

STATE OF OKLAHOMA	§ §
COUNTY OF OKLAHOMA	§ §
This instrument was acknown by Bradley A. Foster , Vice Problem Oklahoma limited partnership, on least the control of the con	owledged before me on
	Notary Public, State of Oklahoma
STATE OF	§ § §
This instrument was acknowledge	owledged before me on, 20, by
Northern and Santa Fe Railway Railway Company.	y Company, as successor to Atchison, Topeka and Santa Fe
	Notary Public
STATE OF	§ § §
This instrument was acknowled L.P.	nowledged before me on, 20, by, as for the Nortex Minerals,
	Notary Public
STATE OF TEXAS COUNTY OF TARRANT	
This instrument was acknung NANCE Ranches, Ltd.	nowledged before me on gan 9, 2006, by ARTHER for the Hall-Nance (Mristine Pascuzz;
	Notary Public

STATE OF TEXAS §
COUNTY OF TARRANT §
This instrument was acknowledged before me on fan. 9, 2008, by ALLEGRA NANCE, as EXCLUTRIX, SELF for the Lewis E. Nance, and wife, Attegra Nance. CHRISTIAN PUBLIC NOTABY PUBLIC STATE OF TEXAS Wristme Pascuzzi
MY COMING LIKE 01/09/2011 Notary Public
STATE OF TEXAS §
COUNTY OF TAKKANT §
This instrument was acknowledged before me on Jan. 9, 2008, by DAVID NANCE BARbara PAN, as Self for the David Nance, and wife, Barbara Nance.
Notary Public
Motal y Fublic
CHRIS : FASCUZZI

MY COMM, EXP. 01/09/2011



DEVON ENERGY PRODUCTION CO LP PO BOX 450

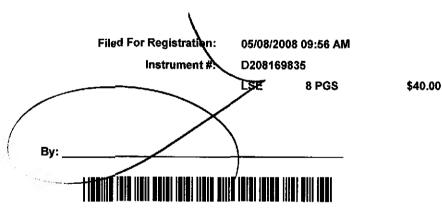
DECATUR

TX 76234

Submitter: DEVON ENERGY PRODUCTION CO

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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